

Senate Amendment 3287

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1 1 Amend Senate File 426 as follows:
1 2 #1. By striking everything after the enacting
1 3 clause and inserting the following:
1 4 1 5 unnumbered paragraph 1, Code 2003, is amended to read
1 6 as follows:
1 7 An eligible business may claim a corporate tax
1 8 credit up to a maximum of ten percent of the new
1 9 investment which is directly related to new jobs
1 10 created by the location or expansion of an eligible
1 11 business under the program. Any credit in excess of
1 12 the tax liability for the tax year may be credited to
1 13 the tax liability for the following seven years or
1 14 until depleted, whichever occurs earlier. Subject to
1 15 prior approval by the department of economic
1 16 development in consultation with the department of
1 17 revenue and finance, an eligible business whose
1 18 project primarily involves the production of value=
1 19 added agricultural products may elect to receive a
1 20 refund of all or a portion of an unused tax credit.
1 21 For purposes of this section, an eligible business
1 22 includes a cooperative described in section 521 of the
1 23 Internal Revenue Code which is not required to file an
1 24 Iowa corporate income tax return, ~~and whose project~~
~~1 25 primarily involves the production of ethanol.~~ The
1 26 refund may be used against a tax liability imposed
1 27 under chapter 422, division II, III, or V. If the
1 28 business is a partnership, S corporation, limited
1 29 liability company, cooperative organized under chapter
1 30 501 and filing as a partnership for federal tax
1 31 purposes, or estate or trust electing to have the
1 32 income taxed directly to the individual, an individual
1 33 may claim the tax credit allowed. The amount claimed
1 34 by the individual shall be based upon the pro rata
1 35 share of the individual's earnings of the partnership,
1 36 S corporation, limited liability company, cooperative
1 37 organized under chapter 501 and filing as a
1 38 partnership for federal tax purposes, or estate or
1 39 trust.
1 40 Sec. 2. Section 15.333, subsection 2, Code 2003,
1 41 is amended to read as follows:
1 42 2. An eligible business whose project primarily
1 43 involves the production of value-added agricultural
1 44 products, that elects to receive a refund of all or a
1 45 portion of an unused tax credit, shall apply to the
1 46 department of economic development for tax credit
1 47 certificates. An eligible business whose project
1 48 primarily involves the production of value-added
1 49 agricultural products shall not claim a tax credit
1 50 under this section unless a tax credit certificate
2 1 issued by the department of economic development is
2 2 attached to the taxpayer's tax return for the tax year
2 3 for which the tax credit is claimed. For purposes of
2 4 this section, an eligible business includes a
2 5 cooperative described in section 521 of the Internal
2 6 Revenue Code which is not required to file an Iowa
2 7 corporate income tax return, ~~and whose project~~
~~2 8 primarily involves the production of ethanol.~~ For
2 9 purposes of this section, an eligible business also
2 10 includes a cooperative described in section 521 of the
2 11 Internal Revenue Code which is required to file an
2 12 Iowa corporate income tax return ~~and whose project~~
~~2 13 primarily involves the production of ethanol.~~ Such
2 14 cooperative may elect to transfer all or a portion of
2 15 its tax credit to its members. The amount of tax
2 16 credit transferred and claimed by a member shall be
2 17 based upon the pro rata share of the member's earnings
2 18 of the cooperative.
2 19 A tax credit certificate shall not be valid until
2 20 the tax year following the date of the project
2 21 completion. A tax credit certificate shall contain
2 22 the taxpayer's name, address, tax identification
2 23 number, the date of project completion, the amount of
2 24 the tax credit, and other information required by the
2 25 department of revenue and finance. The department of

2 26 economic development shall not issue tax credit
2 27 certificates which total more than four million
2 28 dollars during a fiscal year. If the department
2 29 receives applications for tax credit certificates in
2 30 excess of four million dollars, the applicants shall
2 31 receive certificates for a prorated amount. The tax
2 32 credit certificates shall not be transferred except as
2 33 provided in this subsection for a cooperative
2 34 described in section 521 of the Internal Revenue Code
2 35 which is required to file an Iowa corporate income tax
2 36 return ~~and whose project primarily involves the~~
~~2 37 production of ethanol.~~ For a cooperative described in
2 38 section 521 of the Internal Revenue Code, the
2 39 department of economic development shall require that
2 40 the cooperative submit a list of its members and the
2 41 share of each member's interest in the cooperative.
2 42 The department shall issue a tax credit certificate to
2 43 each member contained on the submitted list.
2 44 Sec. 3. APPLICABILITY DATE. This Act applies to
2 45 tax years beginning on or after July 1, 2003.>

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2 50 SF 426.702 80
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